MIAMIBEACH

Miami Beach Convention Center Special City Commission Workshop Miami Beach Convention Center 1900 Convention Center Drive, Miami Beach, Florida Tuesday, May 15, 2013

Mayor Matti Herrera Bower Vice-Mayor Jonah Wolfson Commissioner Jorge R. Exposito Commissioner Michael Góngora Commissioner Jerry Libbin Commissioner Edward L. Tobin Commissioner Deede Weithorn

City Manager Jimmy L. Morales City Attorney Jose Smith City Clerk Rafael E. Granado

Workshop and Administrative Review of Convention Center Proposals

Meeting called to order at 10:38 a.m.

Welcome statements from Commissioner Jorge Exposito.

City Manager's Presentation:

Click the link below to view the City Manager's PowerPoint Presentation: http://www.miamibeachfl.gov/workarea/DownloadAsset.aspx?id=75410

Summary of City Manager's Presentation:

Jimmy L. Morales, City Manager, explained the RFQ process regarding the Miami Beach Convention Center "MBCC" expansion and renovation project, and gave a brief historical background of the MBCC. He also provided financial statistics from 1986 to the present, and the recommendations made through research studies.

- MBCC originally built in 1957
- Current existing space = 1.16 million square feet
- Ranking in 1984 = 4
- Current Ranking = 30 versus 29 in 2009
- Convention, Sports & Leisure (CSL) Recommendations: Upgrades to existing MBCC, target up to 100,000 square feet of added sellable space (multi-use/ballroom space and additional meeting space are needed), incorporate outdoor function space and

landscaped plazas, development of a "Convention Center District", adjacent or attached Convention Center Hotel, incorporate iconic architecture/sculpture

- Potential new business if MBCC is renovated: 23 potential groups, 232,972 potential attendance, and \$301,625,590 potential economic impact
- Resort Tax On August 2012, additional Penny Tax on hotel beds was approved by 70% margin in a City-Wide referendum to fund the MBCC renovation and improvements

10:48 a.m.

Convention Center District - Developer Letter of Intent Comparison, presentation by Jeff Sacks.

Click this link to view this Presentation

http://www.miamibeachfl.gov/workarea/DownloadAsset.aspx?id=75252

Jeff Sacks, Strategic Advisory Group, explained the impact in terms of economics, construction time and the comparison studies made. Mr. Sacks explained that Strategic Advisory Group tracks convention attendance, and added that last year Miami Beach had an average year. From this analysis, the impact will go up to 30% on citywide events if the MBCC is renovated.

The following bulleted items were presented, comparing Portman/CMC and South Beach ACE:

- Proposal Comparison
- Key Economic Impact Drivers
- Construction Impact
- Expenditures Per Day
- Annual Economic Impact
- Master Plan and Base Case Master Plan
- Convention Center Level I, Level 2; 2.5 3 & 4
- Phasing Difference
- Parking = 1,040 Center Controlled Parking (South Beach ACE with 1,040 space over loading docks, upper two levels adjacent to the ballroom and Portman with 764 spaces over loading docks and new exhibit hall plus 276 spaces under ballroom)
- Public Amenities
- Transportation
- Private Components
- Private Program Summary
- Retail/Restaurant Summary
- Public and Private Parking
- Height
- Other Program Elements
- Lease Areas
- Hotel Lease Proposal
- 17th Street Garage and Other Spaces
- Parking and Retail NPV Components
- Residential Lease Proposal

- Theater
- Total Lease Payment
- Public Cost
- Private Investment and Capitalization
- Key Differences

Portman/CMC and South Beach Ace have provided sales per foot data for the Convention Center headquarters hotel and restaurant spending, and in using the average sales for the hotel spending; it was assumed that 75% of the retail is new. However, there is roughly \$250 million per year spent by this effort, and essentially every two years the City is regenerating this money back into the local merchants. In answering Commissioner Libbin's question, Mr. Sacks explained that he had only calculated the figures in increments, and they did not do existing.

Discussion continued.

Commissioner Exposito stated that of these funds, taxes are paid, and he asked what percentage of the taxes goes to the State and County, and which remain with the City? Mr. Sacks stated that he would provide those figures in about one week. **Jeff Sacks, Strategic Advisory Group, to handle.**

Mayor Bower asked if they were having another open meeting to review the figures. She requested having open meetings in the Sunshine, and to have all the information distributed at that time. At previous Finance and Citywide Projects Committee meetings, she has asked several times for these discussions to happen at public meetings, and she is now asking openly in the Sunshine, that she wants these meetings open to the public and discuss information received openly.

Commissioner Tobin stated that this process has been clean, and should be maintained that way. He suggested that any responses to questions be distributed in a form of LTC first, and then the answers again be provided in the Sunshine to avoid a tedious process.

There was a question and answer period held between Vice-Mayor Wolfson and Mr. Sacks regarding the economic impact on the Convention Center's business once the Headquarter Hotel is built. Mr. Sacks referred to cities like Baltimore, Charlotte and Chicago, and explained how the building of a Convention Headquarter Hotel generated increased room nights citywide based on his experience and opinion. Vice-Mayor Wolfson requested supportive evidence that there will be a 30% increase in citywide events if the Convention Headquarter Hotel is built. Mr. Sack will provide room night's percentage increase citywide because of Headquarter Hotel addition.

Commissioner Exposito suggested that questions and answers should be held at a Finance and Citywide Projects Committee. Discussion continued.

Jeff Sacks, Strategic Advisory Group, explained the companies he has represented, and clarified that he has never been employed by either one of the teams; he has worked on

projects where Tishman architects are involved, for the record, but he has no conflict of interest due to this.

Mr. Sacks provide a summary of the MBCC RFQ Process to date: qualifications, proposals and Letter of Intent (LOI).

Mayor Bower spoke regarding the ballroom on the P-lot, as proposed by Portman-CMC, taking away parking. Mr. Sacks explained that parking would be available underneath the ballroom and on top of the loading docks. Discussion continued on parking spaces (See slide on Page 21).

Jorge Gomez, Assistant City Manager, stated that on Page 28 of the PowerPoint, it shows the replacement parking spaces for both teams.

Jimmy L. Morales, City Manager, summarized that Tishman is building 848 spaces for the hotel; they are split into two locations; Portman is building 654 spaces for the hotel.

Mayor Bower requested the information in a chart. Based on all the parking, does each team meet the criteria of the formula for the hotel and the Convention Center? **Parking information to be gathered.**

Discussion continued. Jorge Gomez, Assistant City Manager, to provide replacement parking statistics, requirements and deficits on parking requirements from both teams at the Finance and Citywide Projects Committee meeting.

Tom Mobley, Senior Vice-President Convention Centers for Global Spectrum, gave a brief background of his 30-year experience in the field with different companies, and added that he is familiar with both teams but has never work for either one of them. As a consultant for Global Spectrum, he explained that the MBCC is lacking convention meeting (ballroom) space and they endorse the idea of the hotel, as there is a strong need for it in the City. After following the MBCC process, he finds that there are four major areas of concern when looking at the big picture:

- The temporary phasing construction plans are different, and the questions that arise are: How long will the construction take; and how will the construction affect the operations of the MBCC?
- The difference in layout, which affects the flow of the meeting rooms; the ballroom; the
 exhibit hall and the lobby from both teams; the preferred way is to have the meeting room
 centrally located.
- Transportation and traffic issues, and what impact it has in the community. The Portman plan separates those components more, and there is less opportunity for congestion when buses and trucks arrive.
- The hotel and its proximity to the MBCC He gave an example of an 800-room hotel attached to a Convention Center in Chicago, and they agreed that is best to separate the facilities to maximize revenue. Security when the hotel is attached to a Convention Center is a concern. Additionally, the integration of the hotel can be an operational issue.

• The entrance on the southwest adds to confusion and congestion in his viewpoint. He would prefer to see the hotel entrance on the southeast corner or separate; from an operational point of view, this is more desirable.

Mr. Mobley concluded that in order to maximize revenues, it is best to have a hotel connected to the Convention Center, possibly use some of the facilities, but keep it as a stand-alone entity.

Question and answer period was held and discussion continued regarding transportation and parking and staging traffic issues.

Commissioner Tobin requested an opinion from someone else, since Global has a relationship with one of the teams. (One of the lobbyists for Portman-CMC is also a lobbyist for Global Spectrum.) The merits of each proposal as to the workings/designs of the Convention Center facilities should be completed by an independent entity. **City Manager's Office to handle.**

Mayor Bower stated that she believes in the process, but there needs to be more transparency and needs to be worked correctly. She wants the people to see the projects and models and be able to ask questions, but her wish is to have both teams' models in one place for the public to view, and for the process to be transparent. She requested everyone's cooperation.

Discussion continued regarding the process.

Commissioners Góngora and Tobin both stated that the process has been transparent and the public has given its input and they are there to provide guidance and leadership as to what Miami Beach wants done. Commissioner Weithorn concurred.

Commissioner Exposito added that he likes the process so far, but he would recommend that the Convention Center have two small meeting rooms available where the models can be exhibited, and allow the public to park for free in the P-lot when coming to view the models.

Jimmy L. Morales, City Manager, stated that both teams have agreed that the models will be available for display in the First Floor Conference Room and they are coordinating with Communications to get public input as to which model the public prefers.

Discussion continued.

Jeff Sacks, Strategic Advisory Group, continued the presentation.

Question and answer period held regarding Private Program Summary slide.

Commissioner Tobin asked Mr. Sacks if a breakdown can be done regarding the cultural component from both teams, and to explain what 18,000 square feet (Tishman) is versus 61,000 square feet (Portman). Mr. Sacks stated that he would prefer each developer to comment about that. Presentation continued regarding height of structures.

Commissioner Exposito asked if either team has conducted a shade study, since they need to see studies done on that. **Shade study to be provided by each team.** He feels that if they can limit the vastness of the MBCC and allow a little more height, he may be comfortable with it, contingent on the shade study. Commissioner Libbin agreed.

Commissioner Weithorn stated that when there is a public purpose, she is prepared to allow more massing, but when it is a private piece, it bothers her.

Commissioner Libbin, for the record, is not in favor of having housing in the area in both plans.

Commissioner Góngora has a problem giving height to a residential component abutting a residential street. He may consider the increased height at the center of the MBCC project, where it serves the public.

Commissioner Tobin explained that on the residential area, he would rather have low-rise. The Portman team shows very small four-story residential units with a 30-foot setback in front of the buildings; Tishman should do a buffer there.

Vice-Mayor Wolfson is not a fan of residential area, and thinks it is unnecessary. Mayor Bower agreed, but feels housing has to be extremely sensitive to the neighborhood.

Commissioner Libbin stated that they still need to decide the residential question later, but his preference is not to have housing. This is their last chance. If this MBCC is not done now, it will become the biggest "white elephant" South of the Border, and others Convention Centers will be built on the other side of the bay. Commissioner Libbin stated that from the strategy of getting a project done, it is best to get as close to the base case as possible

Commissioner Tobin stated that for the referendum component, is best to keep it simple and perhaps for the residential area he agrees with Commissioner Libbin.

Jimmy L. Morales, City Manager, explained the residential lease proposal and discussion continued.

Commissioner Tobin expressed his sentiment for eliminating the residential component in the P-lot. Discussion continued.

Commissioner Exposito announced a lunch break.

Afternoon Session

Commissioner Exposito reconvened the meeting at 2:12 p.m.

Jeff Sacks, Strategic Advisory Group, continued his presentation regarding financing (slide 33), and explained both teams rendering of the leases and the 17th Street Garage proposals, as well as the hotel lease proposal (slide 35-38). He explained that the hotel positioning is the most controversial issue; explained the hotel rates in 2019 and compared each to projections of other

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major hotels. There is no true comparable to the proposed hotel, but both teams stated the growth would be about 4% per year. Both teams approach the market differently. A room block agreement would be proffered in order to have events 14 days a month. The language proffered related to the budgets was presented on price segments. Both teams are amenable to further discussion.

Discussion held regarding rooms, room block and discount or fixed rates. Mr. Sacks explained that when citywide bookings come in, they give a proposal, if the City or designee (Greater Miami Convention & Visitors Bureau (GMCVB)) believes that the rate is too high, they have the right (City or designee (GMCVB)) to request lowering the rate for group business. The average rate per year is approximately \$225. Discussion continued.

Vice-Mayor Wolfson stated that he has a problem with the room rates, as he deems them too high to bring more conventions to Miami Beach. Vice-Mayor Wolfson asked Mr. Sacks to provide information as to what shows are going elsewhere right now that he thinks Miami Beach can attract, and what are they paying to the cities that they are going right now? He requested bringing a list and data supporting room rates. **Jeff Sacks, Strategic Advisory Group, to handle.**

Discussion continued.

Commissioner Libbin stated that it is important to lower the room rates. Discussion continued.

Commissioner Weithorn asked Mr. Talbert what the City of Miami Beach convention attendees are paying right now for hotels.

William Talbert, President & CEO of the Greater Miami Convention & Visitors Bureau, explained that the conventions that will be attracted are medical, pharmaceutical, financial, automotive and computer, with a room rate at approximately \$235 to \$399 at local hotels. These conventions, at these rates, are prepared to come back, and they worked with consultants to go to a "blended" lowered rate. In 2019, the group rate would be \$287. Discussion continued.

Discussion held.

Debbie Castillo, Marketing & Tourism Committee Chair/General Manager of the GMCVB, stated that the customers they want are the new customers and they can afford the projected rates. A list to be provided.

Discussion held.

Presentation continued on 99-year lease proposal at 5% net value, projected performance, and discussion was held regarding the process after GO Bond is paid and the fixed rent schedule, (Page 34 of Presentation.)

Vice-Mayor Wolfson asked who would be responsible for cost overruns associated with this construction. Mr. Sacks stated that the format of the proposals is that the developer will design the project and the developers will be 100% responsible for the overruns.

In answering Vice-Mayor Wolfson's questions, Jimmy L. Morales, City Manager, explained that in regards to the disposal of properties, developers could not sell or lease property without the approval of the City Commission. Furthermore, it is his recommendation that the lease contains specific language excluding gaming or gambling operations in either the Convention Center or the Hotel property.

Mr. Sacks clarified that the developers need to get their financing and be able to have liquidity in their hotel; they would need to be able to sell the hotel to another investor at some point without the City Commission's consent. This issue to be discussed with Administration, as there seems to be disagreement.

Discussion held regarding what would happen in the event of a sale. Presentation continued regarding the 17th Street Parking Garage.

Commissioner Tobin stated that it seems that Portman has more retail space than Tishman by 25,000 square feet. Mr. Sacks explained that both teams propose increasing parking spaces and increasing retail restaurant square footage. The current revenue per parking space per day is \$7.20 in today's dollar. The Portman and Tishman programs have different projections in generating revenue by parking space. He asked for the Commission's preference regarding the Parking Garage: keep it under the City's control and maintain the pricing control, or lease it under the developer's control?

Discussion held.

Commissioners Tobin and Weithorn commented that they do not want to give up control of the 17th Street Parking Garage, which is the City's largest retail and pedestrian flow generator. Commissioner Weithorn is also concerned about precedent.

Discussion continued regarding Lincoln Road employees and monthly passes. Commissioner Exposito asked how many monthly passes are available to these employees, as he is concerned where employees are parking currently.

Rocio Alba, Assistant Parking Director, explained that currently the City has 876 monthly parkers in the 17th Street Parking Garage, and additional discount "voucher" programs are available for the businesses, which are approximately 1,400 per month.

Discussion continued.

Commissioner Tobin suggested having a detailed financial explanation with each of the Commissioners.

Commissioner Weithorn stated that there will be a Special Finance and Citywide Projects Committee meeting in two weeks and this may be a proper forum to discuss the issue.

Discussion continued.

Commissioner Tobin added that this data should be available to the public so they can understand.

Mayor Bower asked the Administration to simplify the data to be made available to the public. **Kathie G. Brooks and Patricia Walker to handle.**

Mr. Sacks concluded his presentation on the leases and stated that the Portman lease is about \$328 million, while South Beach ACE Tishman is approximately \$247 million, which is a difference of \$81 million; however, this is only a lease component. The public amenities costs are somewhat different. Portman/CMC at \$55 million offers to contribute private contribution of \$32.1 million toward public amenities; net cost to the public is \$22.9 million; and the public is getting a \$55 million park for \$23 million. Tishman at \$71 million, have offered to contribute \$10.6 million so the net cost to the public is \$69 million. He also explained the public fees to manage the project.

Discussion held and presentation continued (Page 49-55), where Mr. Sacks explained the public, public/private and private funding sources, as well as citywide resort tax and parking enterprise fund. In answering Commissioner Góngora's question, Mr. Sacks explained the debt service for all projects including the Convention Center and public amenities. The finance plan not only addresses and deals with the debt service, but also deals with operations, subsidy, capital expenditure, annual funding and capital maintenance.

Discussion and presentation continued on the comparison of project needs, base case (Convention Center, ballroom and headquarter hotel) along with all components. Mr. Sacks stated that the RDA needs to be extended, with the County's approval, in order to fill the gap, and then the \$4.5 million can be used for operations maintenance. This is the same for both proposals.

Jimmy L. Morales, City Manager, explained that the base case can be done by the City with the RDA extension, but that does not mean increasing taxes, we are taking the taxes that are already paid and from 2022 forward, we will continue allocating funds for expenditure purposes within the RDA.

Commissioner Tobin asked how much the County would forego by extending the RDA. He suggested numbers be given at the next meeting.

Jimmy L. Morales, City Manager, has met with County Mayor and Commissioners, and he was informed that Mayor Jimenez stated that the MBCC is his number one priority throughout Miami-Dade County. They want to see the project done. Discussion and presentation continued in reference to pages 62-63.

Mayor Bower and Commissioner Weithorn will submit their list of questions and staff will coordinate a Special Finance and Citywide Projects Committee meeting. Discussion held.

Mr. Sacks suggested for the City Commission to provide a couple of scenarios desired by the end of this week, and then he will need time to work on it for presentation.

Mayor Bower suggested for the developers to work to find the easiest method to extract the data for the scenarios, and then they will see what the best deal is for the City and the residents.

Commissioner Exposito stated that there is consensus that they want the Convention Center with the Hotel. He suggested narrowing the options:

- 1. Convention Center, Hotel, Ballroom
- 2. Public Amenities
 - a) Public Park Component, No Cultural Campus
- 3. Release 17th Street Garage provide numbers but not relinquish rights to private sector a) Allow retail component at the 17th Street Parking Garage
- 4. Residential with limited number of units; provide options from both teams, 75%, 50%, 25% and 0%
- 5. Look at the option of 1,000-room hotel to generate more revenue
- 6. 40,000 square feet outside the MBCC, and 3,900 square feet food and beverage venue
- 7. No retail north of 17th Street

Discussion held.

Commissioner Libbin stated that to have more than a few restaurants at a public plaza will significant hurt Lincoln Road businesses. He suggested looking at less than 40,000 square feet.

Commissioner Tobin wants to know what the tenant mix is; the current tenants on Lincoln Road do not have high-end stores, so the kind of retail needs to be looked at. They also should get input from both developers on what they think is essential to have a functional activated space. The Commission wants more information to make a decision and especially he needs to understand the financial part of the project.

Jimmy L. Morales, City Manager, explained that some of the decisions/changes requested may have design consequences and may require modifying the plans. He is concerned with the timing.

Commissioner Tobin requested allowing the developers speak briefly.

Mr. Tishman made two observations; any of the teams chosen will become the City's advisor. He stated that on behalf of Tishman, they engaged in the process a long time ago, and the result is millions of dollars' worth of planning, architecture, design, financial involvement, and many consultants. They need clarity now, they have spent many hours with the public presenting a Master Plan; they can model things financially from the developers' standpoint, but at times the "numbers" become confusing during presentation, and hopefully the process will

allow more clear financial information from the developers individually. In regards to the 17th Street Parking Garage, both team plans have anticipated a very significant repositioning of the building and it is not easy, unless you ignore architectural Master Plan, to forget about this plan. The same is true with the residential area. It changes the dynamics and the lease of the parking revenue. Every time there is a change to the Master Plan, there is a domino effect from a planning standpoint. He hopes that they do not go for months of qualitative analysis of two wonderful plans to a more quantitative analysis, because the two are joined together. If this is the direction the City Commission is giving the developers, there is enough time to adjust both the Master Plan as suppose to the numbers. They need more clarity and what this Commission believes the deliverables are.

Mr. Portman agreed with his competitor. Both developers engaged in this process in good faith and heading in one direction as indicated in the Commission's objective, but after the discussions heard, it is a domino effect. From his point of view, the site is calling for what will be best for the City, which is the full program. He thinks the Commission needs to lead the City on a direction that is best for this urban City in the long term. He hopes that a decision can be made on which team the City wants to work with, and then whichever team is selected, the City and the developer can work the variables.

Victor Diaz, Esq., representing Tishman team, spoke on the food and beverage issue north of 17th Street and asked for clarification on the lease areas. Discussion held.

Commissioner Tobin asked Mr. Sacks to give guidance and direction and to give them his recommendation.

Mr. Sacks recommended to work on the selection of the team and work on the variables and the subtle differences.

Mayor Bower asked to have clarification on the definitions of a Cultural Campus, underground parking fees, and public space, and requested that those comparative answers be provided to her. City Manager's Office to handle.

Jimmy L. Morales, City Manager, stated that there were many issues discussed today that had not been discussed before. He thinks it has been very helpful, because they have received good direction on some issues, and he informed that:

- The Administration has retained an individual to conduct background checks on both teams;
- An Independent operational review separate and apart from the operator of the MBCC will be conducted; and
- Beginning on Friday both models will be displayed at City Hall for a month; and the public will be given an opportunity to comment.

Commissioner Tobin suggested to review the information given for a few days and get back to the City Manager. He believes the Commission is very close to making a decision. Vice-Mayor Wolfson stated that both teams need more direction before one of them is chosen.

Jimmy L. Morales, City Manager, recapped that he will provide information on tax revenue, comparative hotels, measuring the growth, parking rate fees, shade study from the building, parking deficit information, RDA extension. **City Manager's Office to handle.**

Commissioner Tobin suggested meeting and reviewing the information received with the City Manager in a day or two, which will be incredible for the community, but they want to know all the details. There is a lot more work to be done, but they are closer to making a decision.

Discussion held.

Mayor Bower suggested breaking it down in topics.

Jimmy L. Morales, City Manager, stated that he is trying to coordinate the briefings.

Commissioner Exposito suggested proceeding to have the follow up and set up a Finance meeting next Wednesday. Discussion continued.

Commissioner Tobin recommended reconvening the meeting on Wednesday, at a Special Finance and Citywide Projects Committee meeting. During the special Finance and Citywide Projects Committee meeting, they should try to give the developers better direction.

LIST OF ACTIONS/REQUESTS MADE BY THE CITY COMMISSION OF STAFF:

MAYOR MATTI HERRERA BOWER:

- Wants all information and answers to questions presented at the May 15th Workshop communicated in the Sunshine (at public meetings).
- Give her a simple breakdown of how many parking spaces are being proposed by each of the two groups.
- How much parking will be added to accommodate the new retail coming online? She does
 not want the new retail to affect the existing parking that is currently being used by visitors to
 Lincoln Road.
- Wants to obtain the number of parking spaces that are required by Code for the Convention Center design that are being proposed by each team. She wants this number compared to the number of parking spaces being proposed by each team to accommodate the Convention Center. Is there a deficit?
- Would like the two models displayed in a public area, where the public could view and comment. Commissioner Exposito would like there to be free parking for the public, when they come see the models.

- Wants City staff to explain to her Victor Diaz's comments regarding the Portman's additional leased space. On page 25 of the presentation, Portman shows 39,000 square feet of restaurant/retail. Yet on page 33 of the presentation, Portman shows "Other Retail," at 186,008.
- Wants to receive a clear understanding as to what is meant by the "Cultural Component." What components and/or programing will be housed at the proposed cultural venues? What is each team's definition of "culture"?
- Wants to know how the City will be charging for the subterranean components. How does fair market value compare to what is being offered by each team.
- Wants to know the footprint relating to the amount of space that is being leased. What is the
 measure of underground component of what is being leased? Explain the financial impacts
 of both above ground leases and subterranean leases/easements.
- Wants to know what are the public spaces? What are the open spaces? How will the public
 be able to utilize both? She wants to make sure that it is evident to the residents and visitors
 that public spaces are open to the public, to be utilized whenever they wish. Provide her the
 definition of open space and the definition of public space, as she was not aware there was
 a distinction. She wants a clear and definite comparison of the two.
- Wants some sort of public straw poll relating to the proposals. Give the people a chance to say which proposal they like. Commissioner Tobin disagrees that we should allow the public to tell us which project they like at this time, as they do not have the financial information/cost relating to each project. Mr. Portman called this idea a "beauty contest." The public does not have the knowledge and information to make the decision. Said decision, according to Mr. Portman, must be made by the Mayor and Commissioners.
- Requested a traffic study and traffic pattern study based on each proposal.

VICE-MAYOR JONAH WOLFSON:

- Requested for Jeff Sacks to provide the work papers to show how he derived at his opinion that communities that add a headquarter hotel benefit from that addition. What is the basis for that opinion? Commissioner Weithorn also wants to see the work papers.
- Would like future Convention Center meetings held at dates/times that are convenient for residents that work.
- What shows/conventions that are going elsewhere right now does Jeff think we can attract? What rates are these shows/conventions paying as far as room rates in those markets that they are currently going to? How is the City going to attract those shows/conventions to Miami Beach? How is the City going to attract those shows/conventions to Miami Beach if our room rates are/will be higher than that being charged by the locations they are currently going to. Come up with a vast list of conventions going elsewhere that Jeff thinks we can attract.

COMMISSIONER JORGE R. EXPOSITO:

- Of the current 80 to 100 million dollars of economic impact that the Convention Center generates, how much tax revenue goes to the State, the County and Miami Beach?
- Based on hotel and room formulas, what is number of parking spaces needed for the hotel being proposed by each group? What is the actual number of parking spaces being proposed by each team for the hotel? Does each team comply with the parking requirement? If there is a parking deficit, what is that deficit?
- Would like the two models displayed in a public area, where the public could view and comment. Commissioner Exposito would like there to be free parking for the public, when they come see the models.
- Shade study Please ask each proposer to provide a shade study for each building they are proposing. (Commissioner Libbin concurred that a shade study was necessary.)
- Schedule individuals meetings with the Mayor and Commissioners to discuss the financial aspects of each proposal. Mayor Bower stated that Jeff does not have to be present at these meetings, "just Kathie and Trish."

COMMISSIONER JERRY LIBBIN:

- Wants additional information as to what on the 40,000 square feet of F & B. What is the Administration's position on the 40,000 square feet of F & B, is the proposal a large number? How much of a retail component is needed in the park? Commissioner Libbin is concerned with too many restaurants; he does not want the plaza to become an alternate to Lincoln Road. Commissioner Libbin wants to know the makeup of the proposed 40,000 square feet F & B and the 39,000 Restaurant/Retail square feet north of 17th if it is mostly restaurants, he is not in favor of it.
- Would like to see a financial analysis of retail at 20,000 square feet, in lieu of the currently proposed 40,000 F & B and the 39,000 Restaurant/Retail.

COMMISSIONER EDWARD L. TOBIN:

- Would prefer that answers to questions first be presented via LTC, and then communicated in the Sunshine, at a Public Meeting. Mayor Bower concurred with this.
- He has been notified that Portman is not meeting the Code requirements as to the number of parking spaces needed for the proposed hotel. What is the required number of parking for the hotel being proposed by each team? What is the deficit, if any?
- Global Spectrum has a relationship, to a degree, with one of the individuals representing Portman. (Portman's lobbyist is the same as Global's lobbyist.) Commissioner Tobin would like an opinion from an independent expert, as to the proposals/designs for the actual Convention Center by each team. Independent operational review of the Convention Center designs.

- Breakdown the Cultural component (61,000 square feet for Portman and 18,000 square feet for Tishman). What goes into 61,000 square feet and what goes into the 18,000 square feet?
- 17th Street Garage Would like to see a scenario where the 17th Street Garage is rehabilitated but the City keeps the pricing control (rate charged to visitors to park). (Do scenario with retail and no retail.)
- Put the financial data in summary format, so the public can understand it. He suggested a written narrative/newsletter. Mayor asked Kathie to this, so it can be streamline and simple.
- How much money wills the County forego if the RDA is extended?
- Wants to know what the tenant mix will be in the proposed retail. He would be agreeable if the retail in the 17th Street Garage was predominantly luxury/high-end stores, as this is not the type of store found on Lincoln Road. What kind of retail are we getting, is it all F & B?
- Would like to hear from each team, as what they believe are the essential component to make their project work, and what is superfluous.
- Wants his meeting with staff to be held where the models are located.

COMMISSIONER DEEDE WEITHORN:

• Would like to see the different financial components for each project. Thereby, the Mayor and Commissioners can build their own models. If she likes component "A" but not "B," she can cost it out. She would like to build her own variable model. Paper is great, but she does not have a problem if it is done with blocks or something more tangible that it is easy to see. She would like to be able to do the following: "If I take that out, what does that cost? If I add that in, what does that cost?"

SUMMARY OF RECOMMENDATIONS:

Commissioner Exposito recapped the things that are wanted:

- 1. Convention Center, Hotel and Ballroom (All said yes. Absent; Vice-Mayor Wolfson)
- 2. Public amenities:`
 - a. Park All want to see a public park component. (Absent; Vice-Mayor Wolfson)
 - b. Cultural component Expendable by Commissioners Góngora, Libbin, Tobin and Weithorn. Commissioner Tobin wants to see programming of some sort in the park.
- 3. 17th Street Garage Commissioner Weithorn would like to see retail on the bottom, but for the City to keep pricing control of the parking spaces. Commissioner Libbin agrees with Commissioner Weithorn. Commissioner Tobin would like to see the business deal prior to making up his mind. Mayor Bower would like to see both scenarios prior to making the decision. TO DO: Produce both sets of numbers.

If the developer takes control of the parking garage spaces, how will rates for the public be determined?

- 4. Residential Mayor Bower would like to see the financial with different scenarios of the residential component. TO DO: Provide financial component of 1) No residential 2) 25% of the residential currently proposed; 3) 50% of the residential currently proposed; 4) 75% of the residential currently proposed; and 5) 100% of the residential currently proposed.
 - Mayor Bower would like to see under each scenario how many residential units in each proposed building.
- 5. Commissioner Libbin wants to see the option of a 1,000-room hotel. Commissioners Exposito and Góngora concurred.
- 6. The 40,000 square feet F & B or the 39,000 Restaurant/Retail square feet north of 17th. TO DO: Commissioner Libbin wants to see an option with no retail unless it is in the 17th Street Garage or in the hotel. Commissioner Exposito likes the idea of the 40,000 square feet of F & B being proposed. Commissioner Góngora stated that there has to be some type of connectivity with Lincoln Road. Commissioner Exposito is comfortable with 40,000 square feet of F & B outside the hotel.

Meeting adjourned at 5:38 p.m.

Handouts and Reference Materials:

- 1. The Miami Herald No. 777 Published May 9, 2013
- 2. Miami Beach Convention Center Expansion and Enhancement PowerPoint
- 3. Convention Center District Developer Letter of Intent Comparison